



UNITED STATES MARINE CORPS
MARINE CORPS SYSTEMS COMMAND
2200 LESTER ST
QUANTICO, VIRGINIA 22134-6050

IN REPLY REFER TO:
4200
MCSC CT-021
J&A No. 13806

**JUSTIFICATION AND APPROVAL FOR
USE OF OTHER THAN FULL AND OPEN COMPETITION**

Upon the basis of the following justification, I, as the Competition Advocate, hereby approve the issuance of the contractual action described herein using other than full and open competition pursuant to the authority of 10 U.S.C. Section 2304(c)(1), as implemented by Federal Acquisition Regulation (FAR) 6.302-1.

SOLE SOURCE JUSTIFICATION

1. Contracting Activity

Marine Corps Systems Command (MARCORSYSCOM)
Program Manager, Optics and Non-Lethal Systems (PM ONS)
Contracts Group Code: CT-021
2200 Lester Street
Quantico, VA 22134-6050

2. Nature/Description of Action

The proposed action encompasses the negotiation and award of a Firm Fixed Price (FFP) contract to Leupold & Stevens Inc., 14400 NW Greenbriar Parkway, Beaverton, OR 97006-5790. Approval is requested to use other than full and open competition to fulfill a requirement to procure 728 commercial/non-developmental Heavy Day Optics (HDO), also known as Leupold Mk8, CQBSS optics. This action entails a new contract for procurement of the HDO system, and Interim Contractor Support (ICS)/spares estimated to sustain the system for a one year period from date of contract award.

3. Description of Supplies/Services

The HDO is a variable power day optic that is used as a long range sighting system for the United States Marine Corps (USMC) heavy machineguns. It is designed to be an effective lay and long range sighting component for both the M2 .50 caliber and

the Mk19 Mod 3 automatic grenade launcher. Also, the HDO will be used in conjunction with legacy clip on night vision devices and be operable from legacy tripods and vehicle gun mounts.

The USMC will procure a quantity of 728 HDOs, with carrying case, over packed with a technical manual and accessories, plus ICS/spares. The total estimated dollar value of this procurement is \$2,343,200.00. This total is based on an estimated unit price of \$3,150.00 for the HDO, plus \$50,000.00 for ICS/spares. Fiscal Year 2009, Procurement Marine Corps funding has been allocated for this procurement. The estimated delivery for the HDO shall commence 60 days after contract award and be completed over a period not to exceed 12 months from date of initial delivery. The period of performance for ICS shall not exceed 12 months from date of contract award.

4. Identification of Statutory Authority

The statutory authority permitting other than full and open competition is 10 U.S.C. Section 2304(c)(1), as implemented by FAR 6.302-1, Only One Responsible Source and No Other Supplies or Services Will Satisfy Agency Requirements.

5. Demonstration of the Contractor's Unique Qualification and Rationale for Use of the Authority Cited

The authority cited is justified by the Urgent Statement of Need (USON) (CDTS #09174UA) dated 26 April 2010, with general officer endorsement and certification by the Combat Development & Integration division, the Marine Requirement Oversight Council, in addition to operating force endorsements from the Commanding General of 3rd Marine Division, III Marine Expeditionary Force and Central Command. For additional details, refer to USON (CDTS #09174UA) dated 26 April 2010.

The consistent rationale in the source and endorsement documents is that current combat operations are being conducted in all lighting conditions against combatants at extreme ranges. The M2 .50 caliber and Mk19 Mod 3 have effective ranges in excess of 3,500m and 1,700m. However, the currently provided iron, image intensified and thermal sighting system either offer limited detection ranges or do not enable the required employment methods, which are based largely on the need for range-corrected aiming points regardless of range, lighting condition or sighting device.

The above limitations and shortcomings of legacy systems are squandering standoff and artificially limiting United States (U.S.) forces to iron sights; this creates a state of parity with the enemy and their technologically inferior small-arms systems.

Given the provided requirement, experimentation and market research have confirmed the Leupold Mk8 CQBSS is the sole, suitable, existent day optic that meets all the critical technical specifications set forth in attachment 1-B of USON and are able to be delivered before the end of 1st Qtr FY11. The contractor's unique qualification stems from the fact they (1) manufacture a first focal variable day optic, (2) the sighting system travel is in 0.1 milliradian increments, (3) the reticle is etched and illuminated, (4) optic possesses the required power range (approximately 1-8x) that can be adjusted to optimize legacy clip on night vision devices, and (5) optic is currently in production and available for immediate delivery.

Due to the above unique qualifications, the USMC intends to procure the HDO component from Leupold & Stevens Inc.

6. Efforts Made to Solicit Potential Sources

This requirement was not synopsized on FedBizOpps or GSA E-Buy due to the urgency of the requirement and the receipt of an approved Urgent Universal Need Statement (CDTS #09174UA). Market research was conducted in accordance with the procedures of FAR Part 10. Market research consisting of internet searches, trade show attendance, concept development evolutions, and participation in other service testing and procurement activities has been conducted for the past two years. According to market research conducted, the HDO component available from Leupold & Stevens, Inc. is the only item that provides the features essential to the Government's requirements, which is also capable of being delivered within the required timeline.

7. Determination of Fair and Reasonable Cost

The Contracting Officer will make a fair and reasonable price determination prior to award. The Leupold Mk8 CQBSS is a commercial/non-developmental item with established commercial pricing. Price Analysis will be used in determining a fair and reasonable price. Quantity discounts will be sought.

8. Description of Market Research

The USMC has assessed heavy machine gun sighting systems for the past two years. The project officer is aware of the current state of the art in sighting systems and has led concept development efforts, which included examination of North Atlantic Treaty Organization (NATO) systems, emerging systems, and other U.S. service fielded and developmental systems. Additionally, the project officer has participated/observed U.S. Special Operations Command activities, including observing operational test events and continuous exchange of market research information.

The GSA schedules of all vendors who offer similar items were reviewed, but no vendor could meet all the critical technical requirements set forth in attachment 1-B of the USON. In particular, no vendor offered a product that had a first focal plane reticle within the user magnification power range required. Historical sources of similar items were contacted after the possibility of placing an FSS/GSA order was exhausted. Review of the historical data and experience revealed that only three potential sources existed who might meet both the technical and urgent delivery schedule requirements. The potential sources revealed were: Premier Reticles, Ltd, Schmidt and Bender, and Leupold and Stevens. All three vendors were contacted. Premier Reticles, Ltd, and Schmidt and Bender indicated they could not meet the delivery schedule requirements.

According to research conducted, the HDO component available from Leupold & Stevens Inc. is the only item that provides the features essential to the Government's requirements and is capable of being delivered within the required timeline. No other manufacturer currently can produce or meet either technical or schedule requirements. No other manufacturer has developed a comparable product that meets the minimum technical attributes. No other action will answer the requirement without incurring a significant delay and cost to the USMC. Additional details describing the market research conducted are included in the attached market research memorandum.

9. Other Supporting Facts

Statutory authority 10 U.S.C. Section 2304(c)(2), as implemented by FAR 6.302-2, Unusual and Compelling Urgency, also applies as failure to provide the systems in the required timeline has been certified by the general officers as injurious to the operating

forces; in addition, these endorsements have been received by Headquarters Marine Corps (HQMC) requirement and operational command. Delivery schedule requirements are driven by the deployment of Marine units to the Afghanistan area of responsibility (AOR) to conduct combat operations in support of Operation Enduring Freedom in accordance with the surge strategy approved by the President.

10. Listing of Interested Sources

There are no other sources capable of meeting the requirement at this time.

11. Actions Taken to Remove Barriers to Competition

This procurement represents a one time buy of all known requirements. Market research supports that there is only one manufacturer capable of providing an HDO that meets the requirements in the USON within the required delivery schedule. In the event that the Government identifies a continuing need for this product, it is anticipated the requirement will be fulfilled on a competitive basis.

12. Statement of Delivery Requirements

The required delivery timeframe is no later than the end of 1st Quarter, Fiscal Year 2011 (FY11). Deliveries will be made to the Marine Corps Logistics Base Albany for integration/kitting to fulfill the Heavy Machine Gun Sighting System (HMGSS) requirements, prior to fielding to select, HQMC-designated operating force units slated for combat deployment.

13. Estimated Dollar Value of the Acquisition Covered by This J&A

The estimated dollar value for the HDO component is \$2,343,200.00. This includes procurement of 728 systems and \$50,000.00 for a to-be-determined mix of ICS and spare parts. The HDO will be procured using Fiscal Year 2009 Procurement, Marine Corps funds.

14. Acquisition Plan

In accordance with Defense Federal Acquisition Regulation (DFARS) 207.103(d)(i)(B), an acquisition plan is not required for this requirement.

15. Documentation of Spare and Repair Parts Acquisition

The HDO is a Stores Account Code (SAC) 3 item. A spare parts list is requested in the Statement of Work (SOW); the density of mix and percentages of spare parts will be determined by level of repair analysis and provisioning process.